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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-881; C-533-882]

Large Diameter Welded Pipe from India: Initiation and Expedited Preliminary Results of Antidumping Duty and Countervailing Duty Changed Circumstances Reviews

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) is initiating and issuing expedited preliminary results of changed circumstances reviews (CCRs) of the antidumping duty (AD) and countervailing duty (CVD) orders on large diameter welded pipe from India.

DATES: Applicable [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Katherine Johnson or Jaron Moore, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4929 or (202) 482-3640, respectively.

SUPPLEMENTARY INFORMATION:

Background

On March 6, 2019, Commerce published the AD and CVD orders on large diameter welded pipe from India.¹ On October 18, 2019, nine members of the domestic industry, including the petitioners from the underlying investigations (individually and as members of the American Line Pipe Producers Association), and Welspun Global Trade LLC, requested that

¹ See *Large Diameter Welded Pipe from India: Antidumping Duty Order*, 84 FR 8079 (March 6, 2019); and *Large Diameter Welded Pipe from India: Countervailing Duty Order*, 84 FR 8085 (March 6, 2019) (collectively, *Orders*).

Commerce initiate CCRs to revoke, in part, the AD and CVD orders of large diameter welded pipe from India with respect to certain large diameter welded pipe products within four specific groups of grades, outside diameters, and wall thicknesses.²

Scope of the Orders

The merchandise covered by these orders is welded carbon and alloy steel line pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded line pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases.

Large diameter welded line pipe is used to transport oil, gas, or natural gas liquids and is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded line pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All line pipe meeting the physical description set forth above, including any dual- or multiple-certified/stenciled pipe with an API (or comparable) welded line pipe certification/stencil, is covered by the scope of the orders.

Subject merchandise also includes large diameter welded line pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope large diameter welded line pipe.

² See Letter from Domestic Industry, “Large Diameter Welded Pipe from India: Petitioners’ Request for Changed Circumstances Review and Partial Revocation,” dated October 18, 2019 (Oct 18 CCR Request) and Attachment to this notice.

Excluded from the scope of the orders is structural pipe, which is produced only to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, or comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards. Also excluded is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

The large diameter welded line pipe that is subject to these orders is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, and 7305.19.5000. Merchandise currently classifiable under subheadings 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000 and that otherwise meets the above scope language is also covered. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of these orders is dispositive.

Initiation and Expedited Preliminary Results of Changed Circumstances Review

Pursuant to section 751(b)(1) of the Tariff Act of 1930, as amended (the Act), and 19 CFR 351.216(d), Commerce will conduct a CCR of an AD or CVD order when it receives information which shows changed circumstances sufficient to warrant such a review. Section 782(h)(2) of the Act and 19 CFR 351.222(g)(1)(i) provide that Commerce may revoke an order (in whole or in part) if it determines that producers accounting for substantially all of the production of the domestic like product have no further interest in the order, in whole or in part. In the event Commerce determines that expedited action is warranted, 19 CFR 351.221(c)(3)(ii) permits Commerce to combine the notices of initiation and preliminary results.

For the reasons discussed below, we find that such sufficient information exists to warrant CCRs. Further, Commerce requires no additional information to make a preliminary finding. For this reason, as permitted by 19 CFR 351.221(c)(3)(ii), Commerce finds that expedited action is warranted and is conducting these reviews on an expedited basis by publishing preliminary results in conjunction with a notice of initiation.

The ten domestic producers filing the request assert that they account for “substantially all”³ of the domestic production of large diameter welded pipe.⁴ Because there is no record information that contradicts this claim, in accordance with section 751(b) of the Act and 19 CFR 351.222(g)(1)(i), we find that the ten domestic producers comprise substantially all of the production of the domestic like product.

Because this CCR request was filed less than 24 months after the date of publication of notices of the final determinations in the investigations, pursuant to 19 CFR 351.216(c), Commerce must determine whether “good cause” exists to initiate these CCRs. We find that the ten domestic producers’ affirmative statement of no interest in the orders with respect to certain specific large diameter welded pipe products, coupled with the circumstances described below, constitute good cause for the conduct of these reviews.⁵ Specifically, the domestic industry does not currently produce the particular large diameter welded pipe products subject to this CCR request. Furthermore, according to the domestic producers, the investment needed for the industry to produce these products far exceeds the potential benefit of such an investment, given

³ In its administrative practice, Commerce has interpreted “substantially all” to mean at least 85 percent of the total production of the domestic like product covered by the order. *See, e.g., Supercalendered Paper from Canada: Final Results of Changed Circumstances Review and Revocation of Countervailing Duty Order*, 83 FR 32268 (July 12, 2018).

⁴ *See* Oct 18 CCR Request at 5-7 (identifying percentage of production in 2017 and 2018 (designated as business proprietary information)).

⁵ *See, e.g., Certain Cold-Rolled Steel Flat Products from Japan: Initiation and Preliminary Results of Changed Circumstances Review, and Intent to Revoke Order in Part*, 82 FR 821 (January 4, 2017) (finding that “Petitioners’ affirmative statement of no interest in the order . . . constitutes good cause for the conduct of this review.”).

that the U.S. market for deep offshore projects, *i.e.*, the primary market for the large diameter welded pipe product groups at issue, is relatively small.⁶ In addition, the domestic producers provided an explanation indicating that the commercial reality has changed since the *Orders* were put in place.⁷ In the absence of any objection by any other interested parties, we preliminarily determine that substantially all of the domestic producers of the like product have no interest in the continued application, in part, of the AD and CVD orders on large diameter welded pipe from India. Accordingly, we are notifying the public of our intent to revoke, in part, the AD and CVD orders as they relate to certain specific large diameter welded pipe products. We intend to change the scope of the AD and CVD orders on large diameter welded pipe from India by adding the exclusion language provided in the Attachment to this notice.

Public Comment

Interested parties may submit case briefs not later than 14 days after the date of publication of this notice.⁸ Rebuttal briefs, which must be limited to issues raised in case briefs, may be filed not later than seven days after the due date for case briefs.⁹ All submissions must be filed electronically using Enforcement and Compliance's AD and CVD Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and to all parties in the Central Records Unit, room B8024 of the main Commerce building. An electronically filed document must be received successfully in its entirety in ACCESS by 5:00 p.m. Eastern Time on the due date set forth in this notice.

⁶ See Oct 18 CCR Request at 8.

⁷ *Id.* at 9-11.

⁸ Commerce is exercising its discretion under 19 CFR 351.309(c)(1)(ii) to alter the time limit for filing of case briefs.

⁹ Commerce is exercising its discretion under 19 CFR 351.309(d)(1) to alter the time limit for filing of rebuttal briefs.

An interested party may request a hearing within 14 days of publication of this notice. Hearing requests should contain the following information: (1) the party's name, address, and telephone number; (2) the number of participants; and (3) a list of the issues to be discussed. Oral presentations at the hearing will be limited to issues raised in the briefs. If a request for a hearing is made, parties will be notified of the time and date for the hearing to be held at the U.S. Department of Commerce, 1401 Constitution Avenue NW, Washington, DC 20230 in a room to be determined.¹⁰

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of these CCRs no later than 270 days after the date on which these reviews were initiated, or within 45 days of that date if all parties agree to the outcome of the reviews.

Notification to Interested Parties

This notice is published in accordance with sections 751(b)(1) and 777(i)(1) of the Act and 19 CFR 351.216 and 351.221(c)(3).

Dated: December 12, 2019.

Jeffrey I. Kessler,

Assistant Secretary

for Enforcement and Compliance.

¹⁰ See 19 CFR 351.310(d).

Attachment

Proposed Revision to the Scope of the *Orders*

Excluded from the scope of the antidumping/countervailing duty orders are large diameter welded pipe products in the following combinations of grades, outside diameters, and wall thicknesses:

- Grade X60, X65, or X70, 18” outside diameter, 0.688” or greater wall thickness;
 - Grade X60, X65, or X70, 20” outside diameter, 0.688” or greater wall thickness;
 - Grade X60, X65, X70, or X80, 22” outside diameter, 0.750” or greater wall thickness;
- and
- Grade X60, X65, or X70, 24” outside diameter, 0.750” or greater wall thickness.

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